



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: March 25, 2009 REPORT NO: 09-038

ATTENTION: Budget and Finance Committee
Agenda of April 1, 2009

SUBJECT: Fiscal Year 2010 Proposed User Fee – Office of the City Treasurer
Parking Citation Web/IVR Payment Transaction Fee

REFERENCE:

REQUESTED ACTION:

Establish the *Parking Citation Web/IVR Payment Transaction Fee*.

STAFF RECOMMENDATION:

Approve the establishment of the *Parking Citation Web/IVR Payment Transaction Fee*.

SUMMARY:

In September 2008, the City began accepting parking citation payments on-line and over the phone via an automated system. This service improvement allows customers to make parking citation payments 24/7 from the convenience of their home or office. Customers using the enhanced payment options receive immediate confirmation of their payment, can print a receipt, and eliminate the risk of mailed payments being lost en route.

The City pays a fee of \$1.06 per transaction to the vendor providing the automated Web/IVR payment system. The annual expenditure of \$120,000 for Web/IVR payment transactions (113,000 transactions estimated for Fiscal Year 2009) is not currently recovered from users. It is recommended that a transaction fee of \$1.06 be established and charged to users of the Parking Citation Web/IVR payment options to recoup the cost of providing this enhanced level of service.

If established, customers using the Web/IVR payment system will be notified of the fee and given the option to cancel the transaction before the transaction is finalized and processed. Those opting out will be able to make their payment using other traditional payment methods (mail and over-the counter).

EXISTING REVENUES:

Presently, the Office of the City Treasurer administers and collects the following revenues:

- Taxes
 - Business Tax – FY10 Proposed Budget: \$5,821,552
 - Rental Unit Business Tax – FY10 Proposed Budget: \$5,200,000
 - Transient Occupancy Tax (TOT)
- Parking Citations
- Penalties – FY10 Proposed Budget: \$784,317
- User Fees – Cost Recoverable (Fully/Partially)

The Fiscal Year 2009 total department revenue is projected to be \$27,429,908. The projected revenue generated from the seven (7) department user fees listed below is \$12,274,220.

CATEGORY 1: 100% COST RECOVERABLE

Business Tax (Resolution Number R-299382)

- Application Processing Fee - \$25 per application
- Renewal Processing Fee - \$15 per renewal account

Last Revised: Fiscal Year 2006

Rental Tax (Resolution Number R-299382)

- Renewal Processing Fee - \$15 per account

Last Revised: Fiscal Year 2006

Parking Permit Fees

- Parking Meter Rate (SDMC § 86.11 – 86.18, 82.04 – 82.06, 82.09)
Fee: \$1.25 per hour

Last Revised: Fiscal Year 2004

- Residential Parking Permits (SDMC § 86.2001 – 86.2017)
Fee: \$14 per year, \$7 per last six months or \$3.50 per two weeks

Last Revised: Fiscal Year 2003

CATEGORY 2: LESS THAN 100% COST RECOVERABLE

Delinquent Accounts

- Collection Referral Fee (Resolution Number R-300713)
Fee: \$25 or 10% (greater amount) up to a maximum
of \$1,000 per incident

Last Revised: Fiscal Year 2006

- Interest on Collection Accounts (SDMC § 22.1707(c))
Fee: 12% per annum on unpaid balance per incident

Last Revised: Fiscal Year 1992

As noted above, these user fees are governed by Council Resolution, Municipal or State Codes. All user fees are monitored annually by the department. At this time, the revenue in comparison to program costs are reasonable. Therefore, no revisions are being recommended at this time.

NOTE: The Office of the City Treasurer's major programs have not undergone Business Process Reengineering.

FISCAL CONSIDERATIONS:

Implementing the \$1.06 *Parking Citation Web/IVR Payment Transaction Fee* will increase the department's cost recoverable user fees revenue by approximately \$120,000 annually or 1% (based on 113,000 transactions estimated for Fiscal Year 2009). If approved by City Council, the implementation date will be effective July 1, 2009.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

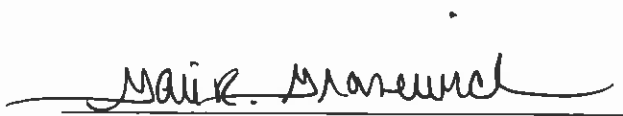
N/A

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

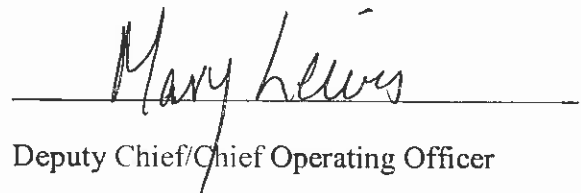
The proposed fee has been presented to fee payers and business leaders during outreach meetings coordinated by the Financial Management Department and Mayor's Office.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

N/A

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Originating Department

A handwritten signature in black ink, appearing to read "Mary Lewis", written over a horizontal line.

Deputy Chief/Chief Operating Officer

